



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

Cynthia Bridges
Executive Director
www.boe.ca.gov

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Contact: Yating Campbell
1-916-327-8988**

Regulation to Implement More Than \$600 Million in Annual Tax Savings Adopted by Board of Equalization

Sacramento – The California State Board of Equalization (BOE) adopted a regulation to implement the Manufacturing and Research & Development Equipment Partial Sales and Use Tax Exemption during a public hearing on July 17, 2014.

The regulation applies to equipment used primarily in manufacturing or research and development. This is part of the Governor's Economic Development Initiative which provides tax exemptions and credits to qualified businesses to promote business expansion and job growth in California. Prior Board votes on this topic initiated the rulemaking process, and further clarified the Board's view of the types of businesses and purchases that qualify for the exemption which took effect on July 1, 2014.

"Our goal is to broaden this exemption to allow more industries to qualify to use this tax savings to expand their businesses and provide quality jobs," said BOE Chairman Jerome E. Horton.

The Board also adopted the assessment rolls for private rail cars and publicly owned private utilities, and heard a report on the Private Railroad Car Tax Rate that will be used to assess property taxes on private rail cars during the 2014-15 fiscal year.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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